

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 3/4/2014	(3) CONTACT/PHONE Emily Jackson/ 781-5011	
(4) SUBJECT Submittal of the FY 2013-14 Second Quarter Financial Report. All Districts			
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors: <ol style="list-style-type: none"> <li>1. Receive, review, and file the Fiscal Year 2013-14 Second Quarter Financial Report;</li> <li>2. Accept cash donations in a total amount of \$72,498.52 on behalf of Animal Services, Libraries, Parks, Public Health, and the Department of Social Services, and approve associated adjustments as outlined in Section 4 of the FY 2013-14 Second Quarter Financial Report;</li> <li>3. Approve a budget adjustment in the amount of \$15,000 from General Fund contingencies to FC 111 – County Counsel to pay for outside counsel;</li> <li>4. Accept Proposition 63 State Awarded Grant funds in the amount of \$43,998 and approve a budget adjustment transferring funds into FC 186 – Veterans Services to increase veteran outreach efforts;</li> <li>5. Accept California State Library funding in the amount of \$40,634 and approve a budget adjustment transferring these funds into FC 377 – Library to support the San Luis Obispo County Literacy Council;</li> <li>6. Approve a budget adjustment in the amount of \$206,542 to move funds from the Library's trust fund to the Atascadero Library Expansion Project budget (FC 230 – Capital Projects) on behalf of the Friends of the Atascadero Library;</li> <li>7. Approve a request from the Health Agency- Public Health Department for relief from accountability for uncollectable debt in the amount of \$10,716 for the Public Health Laboratory;</li> <li>8. Approve a request from the Department of Social Services for relief from accountability for uncollectable debt in the amount of \$34,355.27 for the CalWORKs, CalFresh, Foster Care and General Assistance programs;</li> <li>9. Amend the Fixed Asset List for FC 109 – Assessor to include a storage cabinet in the amount of \$5,832 for the preservation and storage of historic maps;</li> <li>10. Amend the Fixed Asset List for FC 132 – District Attorney to include a communications system upgrade in the amount of \$5,398.93;</li> <li>11. Amend the Fixed Asset List for FC 113 – General Services to add a plotter printer in the amount of \$10,166;</li> <li>12. Approve a request from the General Services Agency to declare 48 vehicles as surplus, authorize their removal from the County fleet, and authorize their sale to recover salvage value in accordance with County Code Section 2.36.030(5).</li> </ol> Recommendations 2 through 6 require a 4/5 <sup>th</sup> vote.			
(6) FUNDING SOURCE(S) General Fund Contingencies	(7) CURRENT YEAR FINANCIAL IMPACT \$15,000	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input checked="" type="checkbox"/> Board Business (Time Est. <u>30 min</u> )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: multiple <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? N/A	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Guy Savage			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Emily Jackson, Administrative Analyst

DATE: 3/4/2014

SUBJECT: Submittal of the FY 2013-14 Second Quarter Financial Report. All Districts

## **RECOMMENDATION**

It is recommended that the Board:

1. Receive, review, and file the Fiscal Year 2013-14 Second Quarter Financial Report;
2. Accept cash donations in a total amount of \$72,498.52 on behalf of Animal Services, Libraries, Parks, Public Health, and the Department of Social Services, and approve associated adjustments as outlined in Section 4 of the FY 2013-14 Second Quarter Financial Report;
3. Approve a budget adjustment in the amount of \$15,000 from General Fund contingencies to FC 111 – County Counsel to pay for outside counsel;
4. Accept Proposition 63 State Awarded Grant funds in the amount of \$43,998 and approve a budget adjustment transferring funds into FC 186 – Veterans Services to increase veteran outreach efforts;
5. Accept California State Library funding in the amount of \$40,634 and approve a budget adjustment transferring these funds into FC 377 – Library to support the San Luis Obispo County Literacy Council;
6. Approve a budget adjustment in the amount of \$206,542 to move funds from the Library's trust fund to the Atascadero Library Expansion Project budget (FC 230 – Capital Projects) on behalf of the Friends of the Atascadero Library;
7. Approve a request from the Health Agency- Public Health Department for relief from accountability for uncollectable debt in the amount of \$10,716 for the Public Health Laboratory;
8. Approve a request from the Department of Social Services for relief from accountability for uncollectable debt in the amount of \$34,355.27 for the CalWORKs, CalFresh, Foster Care and General Assistance programs;
9. Amend the Fixed Asset List for FC 109 – Assessor to include a storage cabinet in the amount of \$5,832 for the preservation and storage of historic maps;
10. Amend the Fixed Asset List for FC 132 – District Attorney to include a communications system upgrade in the amount of \$5,398.93;
11. Amend the Fixed Asset List for FC 113 – General Services to add a plotter printer in the amount of \$10,166;
12. Approve a request from the General Services Agency to declare 48 vehicles as surplus, authorize their removal from the County fleet, and authorize their sale to recover salvage value in accordance with County Code Section 2.36.030(5).

Recommendations 2 through 6 require a 4/5<sup>ths</sup> vote.

## **DISCUSSION**

### **Overview**

This report is intended to provide the Board of Supervisors and the public with an overview of the County's financial performance through the Second Quarter of Fiscal Year 2013-14. The Financial Report presented to the Board contains exception reporting (i.e. no mention is made if the financial status of the fund center is within expected parameters). This Financial Report contains an overview of the drivers behind the significant variance between budgeted and actual use of General Fund dollars in the second quarter time frame of October 1, 2013 through December 31, 2013.

The report is divided into five sections:

- **Section 1-** provides an overview of the County's financial position at the end of the second quarter, as well as brief summaries of noteworthy departmental fiscal and operational issues.
- **Section 2-** provides a big picture analysis of second quarter revenue receipts by category (e.g., taxes, charges for services, etc.) and fund (e.g., General Fund, Road Fund, etc.) as well as a review of contingency, designation and reserve activity.
- **Section 3-** provides a summary of all personnel changes approved by the Board of Supervisors, or made administratively by the Human Resources Department during the second quarter.
- **Section 4-** provides a summary of miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations, discharge of bad debt and miscellaneous budget adjustments (details are provided in Attachments 2, 3, 4, and 5).
- **Section 5-** provides an update on the capital improvement projects and maintenance projects managed by the General Services Agency and Public Works department (details are provided in Attachment 6).

## **Executive Summary**

The overall spending levels and revenue receipts at the end of the second quarter for FY 2013-14 were generally consistent with the prior year. General Fund expenditures were 42% of budget, while General Fund revenues were realized at 37% of budget. This level of realization of revenue is typical for the second quarter due to the time lag involved in billing cycles and the receipt of reimbursements. Some of the largest revenue sources, such as property taxes, are realized later in the fiscal year.

### **Items of note in the second quarter:**

Issues that have emerged as of the second quarter are noted below:

#### **County Counsel**

County Counsel is requesting a budget adjustment from General Fund contingencies in the amount of \$15,000 to cover unbudgeted expenditures for outside counsel. These expenses were not anticipated at the time that the budget for FY 2013-14 was prepared. The use of outside counsel was previously approved by the Board in closed session. A memo from the department is included in Attachment 4.

#### **Clerk-Recorder**

The Clerk-Recorder is reporting that recording revenues have declined by 24% compared to the first half of FY 2012-13. The decline in recording activity is due largely to external factors, such as a shortage of housing inventory, rising sales prices, increased regulations for obtaining loans, and rising interest rates—all of which contribute to decreased home-buying activity. If recording activity continues to be down through the second half of the fiscal year, the department may see a \$220,000 shortfall in recording revenues at year end. Despite this shortfall, the department reports that it will be able to use restricted revenues to offset the revenue loss, with no impact to the General Fund. More information is included in Section 1 of the report.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

All departments contributed to the development of this report. The Administrative Office, Human Resources, and the Auditor-Controller's Office compiled data from departments and other sources for the report. The General Services Agency and the Public Works Department prepared the attached updates on capital and maintenance projects.

## **FINANCIAL CONSIDERATIONS**

Approval of the above recommendations will have a total impact to the General Fund of \$15,000 as the result of the adjustment for County Counsel to pay for outside counsel for litigation.

Approval of the recommendations will also allow for a total of \$72,498.52 in gift funds and donations to be accepted on behalf of Animal Services, Library, Parks, Public Health and Social Services; and will discharge a total of \$45,071.27 of bad debt on behalf of the Department of Social Services and Health Agency- Public Health.

## **RESULTS**

This report provides the Board of Supervisors and the public with an overview of the County's financial position at the end of the second quarter of Fiscal Year 2013-14.

c - Department Heads

## **ATTACHMENTS**

1. FY 2013-14 Second Quarter Financial Report
2. Section 4 Attachment- Receipt of Gift Funds
3. Section 4 Attachment- Relief from Accountability
4. Section 4 Attachment- Miscellaneous Adjustments
5. Section 4 Attachment- Declaration of Surplus Vehicles
6. Section 5 Attachment- Capital and Maintenance Project Updates